

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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BENJAMIN M. LAWSKY, Superintendent :
Financial Services of the State of New York, :

Plaintiff, :

-against- :

CONDOR CAPITAL CORPORATION :
and STEPHEN BARON, :

Defendants. :
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USDS SDNY DOCUMENT ELECTRONICALLY FILED DOC #: _____ DATE FILED: <u>04/25/2014</u>
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14 Civ. 2863 (CM)
ORDER

KIMBA M. WOOD, U.S.D.J.:

Having heard argument by counsel for the parties this evening concerning whether the Temporary Restraining Order ("TRO"), issued on April ^{23 FMW}~~24~~, 2014, should be modified as requested by Defendants, the Court modifies the TRO as reflected in the attached "Modification to Temporary Restraining Order" for reasons stated on the record after argument.

The Court finds that any further modification of the TRO at this time is unwarranted, because Plaintiff has demonstrated (1) that consumers would suffer irreparable harm in the absence of the attached "Modification to Temporary Restraining Order;" and (2) that there are sufficiently serious questions going to the merits to make them a fair ground for litigation, and that a balance of hardships tips decidedly in Plaintiff's favor.

The parties shall order a copy of the transcript of today's argument, and supply a copy to Judge McMahon's chambers by 4 p.m. on Monday, April, 28, 2014.

SO ORDERED.

DATED: New York, New York
April 25, 2014

Kimba M. Wood

KIMBA M. WOOD
United States District Judge
PART I

04/25/2014 FRI 13:12 FAX

006/009

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BENJAMIN M. LAWSKY, Superintendent of
Financial Services of the State of New York,

-v-

CONDOR CAPITAL CORPORATION and
STEPHEN BARON,

Defendants,

USDS SDNY
DOCUMENT
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DATE FILED: 04/25/2014

14 Civ. 2863 (CM)

MODIFICATION TO
TEMPORARY RESTRAINING
ORDER

WHEREAS Plaintiff, Benjamin M. Lawsky, submitted a proposed *Ex Parte* Temporary Restraining Order (the "TRO") as to Defendants Condor Capital Corporation ("Condor") and Stephen Baron, filed April 23, 2014. Considering the further submissions made by counsel, the Court hereby modifies ~~and/or vacates~~ the TRO in these specific respects

IT IS HEREBY ORDERED that:

1. Paragraphs 11, 12, and 15 of the TRO are vacated and Defendants are hereby authorized to solicit and acquire new loan agreements and retail installment contracts provided that:

- (a) The information for any such contracts shall be provided promptly to the Department of Financial Services; and
- (b) Should any credits accrue in customer accounts as a result of the new loan agreements, Condor must notify the customer and make arrangements to refund such credits.

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2. Paragraph 14 of the TRO is modified such that the first two paragraphs previously required to appear on Condor's website are no longer required to appear. The third paragraph regarding positive credit balances shall remain. *Kmw*

3. The asset freeze referred to in paragraphs 16 and 17 is hereby lifted so as to allow:

- (a) The transfers of titles between Condor and existing or future customers;
- (b) The release of liens by Condor for existing or future customers;
- (c) The ability for Condor to approve customer insurance payments; *existing - kmw*
- (d) The ability for Condor to sale and/or auction off automobiles in its *Kmw* inventory, provided that the proceeds are deposited into the Citibank account identified in paragraph 17 of the TRO; *existing*

- (e) Condor to issue payroll checks and funds to be transferred to the individuals and in amounts identified in Exhibit A of the TRO, and *Kmw* in amounts no larger than

- (f) ~~Condor to transfer money to dealers in order to fund new customer loans.~~ *the previous weekly payment*

IT IS FURTHER ORDERED that:

4. The additional paragraphs of the TRO and this Order shall remain in full force and effect pending the determination of the Superintendent's Motion for a Preliminary Injunction or hearing on the merits, which is scheduled for Tuesday, April 29, at 10:00 a.m. before the Honorable Colleen McMahon. *provided that no payment shall be made to Stephen Baron.*

SO ORDERED

On this *25th* day of April 2014

Kim M. Ward
UNITED STATES DISTRICT JUDGE
United States District Court
Southern District of New York

Part I